

# FISCAL NOTE

## SB 34

March 21, 2005

**SUMMARY OF BILL:** Permits students eligible for HOPE scholarships after completing high school to attend certain out-of-state postsecondary institutions without a scholarship and then upon transferring to an eligible in-state postsecondary institution to receive the scholarship, if collegiate academic requirements are met.

### ESTIMATED FISCAL IMPACT:

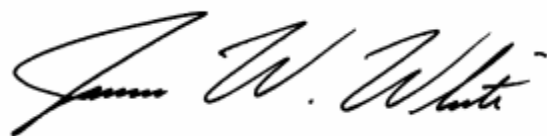
**Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by an amount estimated to be approximately \$819,000 in FY05-06 and approximately \$1,227,000 in FY06-07.**

#### Assumptions:

- In the fall of 2004, 229 students who met the initial eligibility criteria but elected to attend an out-of-state institution during their freshman year, returned to Tennessee and received the award during their sophomore year.
- If this transfer rate remains constant, THEC projects that 273 additional students would be eligible in the fall of 2005. The majority of these students attend four-year institutions upon returning to Tennessee; therefore, the estimated increase in state expenditures would be approximately \$819,000 the first year. In FY06-07 an estimated 409 students would be eligible for awards totaling \$1,227,000.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director